



PUBLIC NOTICE

Federal Communications Commission
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DA 06-1181

Released: June 1, 2006

**DOMESTIC SECTION 214 APPLICATION FILED FOR THE ACQUISITION OF
ASSETS OF COUNTY TELEPHONE COMPANY, LIMITED PARTNERSHIP AND LEC
LONG DISTANCE, INC. D/B/A CASSTEL LONG DISTANCE BY FAIRPOINT
COMMUNICATIONS MISSOURI, INC., FAIRPOINT COMMUNICATIONS, INC.,
AND ST LONG DISTANCE, INC. D/B/A FAIRPOINT COMMUNICATIONS LONG
DISTANCE**

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 06-64

Comments Due: June 15, 2006

Reply Comments Due: June 22, 2006

On March 13, 2006, Cass County Telephone Company, Limited Partnership ("CassTel") and LEC Long Distance, Inc. d/b/a CassTel Long Distance ("CassTel LD") (collectively, "Transferors"), FairPoint Communications Missouri, Inc. ("FairPoint"), FairPoint Communications, Inc., and ST Long Distance, Inc. d/b/a FairPoint Communications Long Distance ("FairPoint LD") (collectively, "Transferees"), filed an application, pursuant to sections 63.03 and 63.04 of the Commission's rules,¹ to transfer certain telecommunications assets from Transferors to Transferees.²

Applicants assert that this transaction is entitled to presumptive streamlined treatment under section 63.03(b)(2)(iii) of the rules.³ With regard to 63.03(b)(2), Applicants assert that the proposed transaction would result in: (1) the Transferees having a market share in the interstate, interexchange market of less than 10 percent; and (2) the Transferees providing competitive telephone exchange services or exchange access services (if at all) exclusively in geographic

¹ 47 C.F.R. §§ 63.03, 63.04; *see* 47 U.S.C. § 214.

² Transferors and Transferees will be referred to as "Applicants." On March 15, 2006, the Applicants filed a supplement to the application providing an exhibit of exchange boundary maps referenced in the application. On March 29, 2006, the Applicants filed a letter supplementing their application with additional information relating to the ownership of FairPoint.

³ 47 C.F.R. § 63.03(b)(2)(iii).

areas served by a dominant local exchange carrier that is not a party to the transaction.⁴ With respect to section 63.03(b)(2)(iii), the Applicants are affiliates of incumbent independent LECs *that have, in combination, fewer than 2 percent of the nation's subscriber lines, and no overlapping or adjacent service areas.*⁵

CassTel, a Maryland limited partnership, provides wireline telecommunications and related services, such as CLASS, voice-mail, Internet, 911, transport, billing and collection, and directory services in Kansas and Missouri.⁶ CassTel LD, a Missouri corporation, provides domestic interstate and intrastate long distance services in Kansas and Missouri. Local Exchange Company LLC, a Maryland limited liability company, is the sole general partner of Transferor CassTel, holding 99 percent ownership interest thereof, and is the sole shareholder of CassTel LD. Norman Chanes, a U.S. citizen, owns a 12.97 percent equity interest in Local Exchange Company LLC. No other individual or entity directly or indirectly owns 10 percent or more equity of Local Exchange Company LLC.

FairPoint Communications, Inc., a Delaware corporation, owns 28 local telephone companies in 17 states with approximately 289,000 access line equivalents in service⁷ and provides local exchange and exchange access services, long distance voice, data, Internet and broadband offerings, and enhanced calling features, digital subscriber line services, Internet access, advanced data services, and cable television services. FairPoint Communications Missouri, Inc., a Missouri corporation, is wholly-owned by MJD Services Corp., a Delaware corporation, which in turn is wholly-owned by FairPoint Communications, Inc., a Delaware corporation. ST Long Distance, Inc. d/b/a FairPoint Communications Long Distance, a Delaware corporation, is wholly-owned by ST Enterprises, Ltd., a Kansas corporation, which in turn, is wholly-owned by FairPoint Communications, Inc., a Delaware corporation. The following entities own a 10 percent or greater equity interest in FairPoint Communications, Inc.: Thomas H. Lee Equity Fund IV, L.P., a Delaware limited partnership (11.35%); and Wellington Management Company, L.L.P, a Massachusetts limited liability partnership (14%). The general partner of Thomas H. Lee Equity Fund IV, L.P. is THL Equity Advisors, IV, LLC. THL Equity Advisors, IV, LLC as the sole General Partner of the Thomas H. Lee Equity Fund, IV, L.P.,

⁴ 47 C.F.R. § 63.03(b)(2).

⁵ 47 C.F.R. § 63.03(b)(2)(iii).

⁶ CassTel offers wireline telecommunications and related services to approximately 8,000 access lines in the exchanges of Peculiar, Garden City, Drexel, Cleveland, East Lynn and Creighton, in rural Missouri, as well as adjoining portions of the West Drexel and West Cleveland exchanges in neighboring Kansas. The CassTel service territory is located approximately 30 miles south of Kansas City, Missouri and covers approximately 439 miles in Cass County, Missouri and Miami County, Kansas.

⁷ The Applicants provided the names, states of incorporation, and areas served for the 28 local telephone companies owned by FairPoint Communications, Inc. in their March 29, 2006 letter. See Letter from Randall B. Lowe, Davis Wright Tremaine LLP, Counsel for Transferors, and Stephen G. Kraskin, Communications Advisory Counsel, LLC, Counsel for Transferees, to Marlene H. Dortch, Secretary, Federal Communications Commission, WC Docket No. 06-64, (Mar. 29, 2006).

directs the vote of the FairPoint Communications, Inc. common stock held by Thomas H. Lee Equity Fund, IV, L.P. Kent R. Weldon, a U.S. citizen, is a Managing Director of Thomas H. Lee Partners, LP, the sole owner of THL Equity Advisors IV, LLC. Wellington Management Company, L.L.P is a private limited liability partnership whose sole business is investment management. Perry Traquina, a U.S. citizen, serves as the President, Chief Executive Officer, and Managing Partner of the company.

On December 14, 2005, the CassTel and FairPoint entities entered into an Asset Purchase Agreement whereby FairPoint will acquire substantially all of the telephone properties and related assets of CassTel necessary for the provision of local exchange services in its exchange areas in Missouri and adjoining exchanges in Kansas. In addition, the Asset Purchase Agreement provides for the simultaneous transfer to FairPoint LD of substantially all of the CassTel LD assets related to the provision of interstate long distance.

Applicants assert that the proposed transaction serves the public interest because: (1) it will not result in any interruption of service and will not cause any inconvenience to the affected customers; (2) it will result in the Transferors' customers receiving the same rates, terms and conditions of service as they currently receive, and will therefore be virtually transparent to them; and (3) Transferees are established rural providers that are well positioned to offer competitive services.

GENERAL INFORMATION

The transfer of the assets identified herein has been found, upon initial review, to be acceptable for filing as a streamlined application. The Commission reserves the right to return any transfer of control application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Pursuant to sections 1.415 and 1.419 of the Commission's rules, 47 CFR §§ 1.415, 1.419, interested parties may file **comments on or before June 15, 2006 and reply comments on or before June 22, 2006.**⁸ Unless otherwise notified by the Commission, Applicants are permitted to transfer the assets and related control on the 31st day after the date of this notice.⁹ Comments may be filed using: (1) the Commission's Electronic Comment Filing System (ECFS), (2) the Federal Government's eRulemaking Portal, or (3) by filing paper copies. *See Electronic Filing of Documents in Rulemaking Proceedings*, 63 FR 24121 (1998).

- **Electronic Filers:** Comments may be filed electronically using the Internet by accessing the ECFS: <http://www.fcc.gov/cgb/ecfs/> or the Federal eRulemaking Portal: <http://www.regulations.gov>. Filers should follow the instructions provided on the website for submitting comments.

⁸ See 47 C.F.R. § 63.03(a).

⁹ Such authorization is conditioned upon receipt of any other necessary approvals from the Commission in connection with the proposed transaction.

- For ECFS filers, if multiple docket or rulemaking numbers appear in the caption of this proceeding, filers must transmit one electronic copy of the comments for each docket or rulemaking number referenced in the caption. In completing the transmittal screen, filers should include their full name, U.S. Postal Service mailing address, and the applicable docket or rulemaking number. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions, filers should send an e-mail to ecfs@fcc.gov, and include the following words in the body of the message, "get form." A sample form and directions will be sent in response.
- Paper Filers: Parties who choose to file by paper must file an original and four copies of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, filers must submit two additional copies for each additional docket or rulemaking number.

Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (although we continue to experience delays in receiving U.S. Postal Service mail). All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

The Commission's contractor will receive hand-delivered or messenger-delivered paper filings for the Commission's Secretary at 236 Massachusetts Avenue, N.E., Suite 110, Washington, D.C. 20002. The filing hours at this location are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering the building. Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743. U.S. Postal Service first-class, Express, and Priority mail should be addressed to 445 12th Street, S.W., Washington D.C. 20554.

People with Disabilities: To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 202-418-0432 (tty).

You may submit comments, identified by the above noted docket number, by any of the following methods:

- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.
- Federal Communications Commission's Web Site: <http://www.fcc.gov/cgb/ecfs/>. Follow the instructions for submitting comments.
- People with Disabilities: Contact the FCC to request reasonable accommodations (accessible format documents, sign language interpreters, CART, etc.) by e-mail: FCC504@fcc.gov or phone: 202-418-0530 or TTY: 202-418-0432.

In addition, one copy of each pleading must be sent to each of the following:

- (1) The Commission's duplicating contractor, Best Copy and Printing, Inc., 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554, www.bcpweb.com; phone: (202) 488-5300 fax: (202) 488-5563;
- (2) Tracey Wilson-Parker, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-A103, Washington, D.C. 20554; email: tracey.wilson-parker@fcc.gov;
- (3) Heather Hendrickson, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C225, Washington, D.C. 20554; e-mail: heather.hendrickson@fcc.gov;
- (4) Susan O'Connell, Policy Division, International Bureau, 445 12th Street, S.W., Room 7-B544, Washington, D.C. 20554; email: susan.o'connell@fcc.gov; and
- (5) James Bird, Office of General Counsel, 445 12th Street, S.W., Room 8-C824, Washington, D.C. 20554; e-mail: james.bird@fcc.gov.

Filings and comments are also available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, S.W., Room CY-A257, Washington, D.C. 20554. They may also be purchased from the Commission's duplicating contractor, Best Copy and Printing, Inc., Portals II, 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554, telephone: (202) 488-5300, fax: (202) 488-5563, or via e-mail www.bcpweb.com.

For further information, please contact Tracey Wilson-Parker at (202) 418-1394, or Heather Hendrickson at (202) 418- 7295.

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